

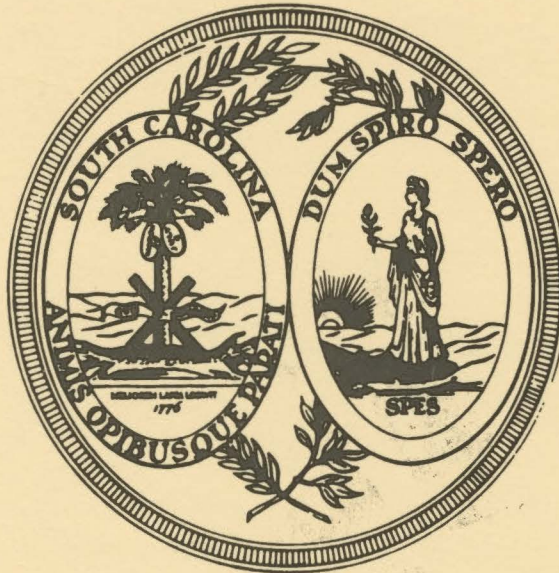
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Legislative Audit Council



State of South Carolina
General Assembly
Legislative Audit Council
Review of the
Emergency Preparedness Division
of the Adjutant General's Office
December 16, 1981

STATE OF SOUTH CAROLINA

GENERAL ASSEMBLY

LEGISLATIVE AUDIT COUNCIL

REVIEW OF THE

EMERGENCY PREPAREDNESS DIVISION

OF THE

ADJUTANT GENERAL'S OFFICE

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REPORT SUMMARY

In October 1981, the Legislative Audit Council was requested by the General Assembly to review the operation and procedures of the Emergency Preparedness Division (EPD) of the Adjutant General's Office. The purpose of the review was to determine the efficiency with which the Division had administered the Federal funds available for State and local emergency preparedness activities and to suggest ways to make more Federal funds available to the counties.

During the audit, the Council examined State laws, Federal guidelines and regulations and the State's Comprehensive Disaster Preparedness Plan. The policies and procedures of EPD were reviewed. Interviews were conducted with the staff of EPD, the Adjutant General's Office, and the Division of Public Safety Programs in the Governor's Office.

A survey of county emergency preparedness directors was conducted. Nine southeastern states were contacted for information on their administration and use of Federal funding. The Audit Council appreciates the cooperation and assistance of the Emergency Preparedness Division and the Division of Public Safety in the Governor's Office, and other emergency preparedness personnel in preparing this report.

The Audit Council's review focused on the management of the Personnel and Administration (P&A) Grant, the largest grant handled by EPD and the major source of Federal funds for county emergency preparedness offices. Several related areas were also examined. Chapter I reviews the background and funding of EPD. Chapter II discusses the problems the Council found in the manner in which EPD

has handled the P&A Grant and a private contract from power companies. Chapter III reviews areas of needed improvement in the organization of EPD and its personnel procedures.

The responsibility for emergency planning and response is shared by the counties and the State Government in South Carolina. The Personnel and Administration (P&A) Grant is the largest Federal grant received by the State for emergency preparedness programs (\$662,400 in FY 80-81). The P&A funds are the only operating funds counties receive from the Federal Government and are used to fund both State and county personnel and operating expenses. EPD has the authority to allocate any portion of these funds to State or county operations. Since FY 78-79, EPD has shifted the Federal funds available for emergency programs from the counties to the State.

For FY 80-81, the State's counties requested over \$63,000 more in Federal funds than EPD made available from the P&A Grant. The Audit Council found several areas where organizational and procedural changes at EPD could increase the Federal funding to the counties. If the recommendations made in this report are followed, more than \$71,000 in Federal funds would be made available for county emergency preparedness programs.

The areas needing changes and the problems noted by the Council are summarized below.

- EPD did not apply to the Federal Government for an indirect cost rate to reimburse the State for administering Federal grants in FY 79-80. If a proper indirect cost rate had been negotiated, approximately \$54,725 would have been remitted to the General Fund, however, only \$8,292

was recovered for indirect costs. The General Fund lost \$46,433 in indirect costs recoveries which EPD allocated to the counties for programs (see p.12).

- In FY 80-81 EPD reduced the Federal funds available to counties to pay \$26,000 in indirect costs to the General Fund and to meet a \$21,900 increase in personnel and operating costs in the State Office. So that county emergency preparedness will not have to bear the total burden for remitting indirect costs, the State Office needs to assume its share of the obligation. The efficiency of the State Office needs to be increased to avoid paying for growing State expenses with Federal funds which would normally go to the counties (see p.14).

- For three years, EPD has used the Personnel and Administration Grant to fund positions in the Governor's Office. The duties of the EDP Director and the on-going activities of EPD make the establishment of these positions within the Governor's Office a duplication of effort and responsibility. The \$105,000 provided in three years for the positions has reduced Federal funds available for the State Office and county emergency preparedness by \$52,500 (see p.17).

- The Emergency Preparedness Division does not have adequate criteria for allocating Federal funds among counties for local emergency preparedness offices. No written policy or procedures outline the criteria used in allocating the funds. The use of historical cost data in determining the allocation to the counties does not consider enough criteria to properly assess the funding needs of the county programs. The method also ignores the likelihood of a particular county experiencing

nuclear or natural disaster. Richland County, for example, received an average of \$45,875, 10% of the total funds allocated to the counties in Federal FY 78-79 through FY 80-81. Charleston County, with a larger population and in a higher risk area for both nuclear and natural disasters, received an average of \$24,426 for the same years.

In reviewing the Federal guidelines used in allocating available funds to the states, the Audit Council found several factors that could be applied to the State's current county allocation method. In addition to historical cost data, EPD could consider factors such as population, potential for nuclear or natural disaster, and the level of program development (see p.19).

- Federal Regulations require a state to have emergency plans for each nuclear power plant built within its borders. No State or Federal funds were available to develop emergency plans for three plants even though two of the plants were almost ready to begin operation. In order to comply with Federal Regulations and begin plant operation, three power companies agreed to fund the development of the emergency plans. Costs associated with developing emergency plans for the nuclear plants have not been correctly charged to the power company contract by EPD. Approximately \$20,000 in State and Federal funds in FY 81-82 will be used to comply with the contract agreement (see p.23).

- There is a duplication of services and responsibility for administrative support within EPD and the Adjutant General's Office. Positions are inappropriately placed within EPD's organization. The Audit Council recommends that EPD consider a reorganization which could improve the

efficiency of the organization and provide more effective services to the counties. This reorganization could save \$70,000 annually in State and Federal funds (see p.28).

- A review of EPD's personnel records indicates that the Division has not complied with State Personnel Regulations and that no established personnel files contain all the required documentation on EPD employees. Without resumes, job applications, test results and other important employment documentation, an agency is open to accusations of discrimination or other undesirable personnel practices (see p.32).

- A review of personnel procedures indicates EPD did not follow standard hiring procedures nor document the suitability of the individuals hired under the power company contract. While the positions are contractual, the procedures followed in filling those positions should not have differed greatly from standard recruitment practices. With the lack of open recruitment and the documentation of personnel qualifications, EPD is open to accusations of unfair and discriminatory hiring practices (see p.34).

CHAPTER I
BACKGROUND AND FUNDING

The Emergency Preparedness Division has been a part of the Adjutant General's Office since 1979, however, the Division's basic responsibilities have remained the same since 1973. The Division is mandated to develop a plan for State response to an emergency, ensure the capability to execute the plan, and coordinate the response when an emergency occurs (Section 25-1-420).

Emergency planning and response is actually carried out on two levels of government within South Carolina. The initial responsibility for responding to an emergency rests with local officials (Section 25-1-450). It is only when local resources are inadequate to cope with an emergency that the State is responsible for support or assistance. State Government responds to requests for assistance from local governments as deemed appropriate by the Governor. The Governor has the authority to declare a formal state of emergency for all or part of the State (Section 25-1-440).

EPD works with both levels of government in the State in preparing for an emergency. At the local level, EPD aids the counties in pre-emergency planning, organizing and training groups and individuals to meet an emergency. At the State level, EPD coordinates individual agency plans and conducts training exercises. EPD also has the responsibility to maintain an Emergency Operations Center for conducting State operations from a centralized location (Section 25-1-420).

In addition to the duties mandated by State statute, EPD receives and allocates Federal funds, both for its own use and for use by county emergency preparedness offices. Approximately 80% of the funds

administered by EPD are Federal funds. The Division also implements Federally required plans and activities concerning civil defense and fixed nuclear facilities.

The Emergency Preparedness Division has helped coordinate emergency efforts in the State since its inception as the Civil Defense Agency in 1958. The agency became the Disaster Preparedness Agency in 1973, operating independently until Act 138 of 1977 reorganized it as a division within the Office of the Governor. In 1979, the Division was renamed the Emergency Preparedness Division and moved to the Office of the Adjutant General (Act 199 of 1979). During an emergency, the Division operates as a part of the Adjutant General's Office under the direction of the Governor, who is responsible for the safety of the State.

Budget-Funding

For Federal FY 80-81, the budget for EPD was \$1.2 million. The Division has estimated that \$803,000 was used for the State level operations, of which \$528,000 was designated by the Federal Government for specific uses. \$438,000 was allocated to the counties for communication equipment and local operating expenses (see Table 1).

TABLE 1
ACTUAL AND ESTIMATED EXPENDITURES
EMERGENCY PREPAREDNESS DIVISION
FEDERAL FY 78-79 TO FY 80-81

	<u>Actual FY 78-79</u>	<u>Actual FY 79-80</u>	<u>Estimated FY 80-81</u>
Personnel	\$ 462,460	\$ 550,256	\$ 591,570
Operating Expenses	125,272	143,443	212,426
County Allocation	<u>452,095</u>	<u>481,805</u>	<u>438,784</u> ¹
Total	\$1,039,827	\$1,175,504	\$1,242,780

Source of Funds:

State	\$ 166,642	\$ 215,775	\$ 267,875
Federal	<u>873,185</u>	<u>959,729</u>	<u>974,905</u>
Total	\$1,039,827	\$1,175,504	\$1,242,780

¹Includes the Personnel and Administration Grant and Communications Grant

EPD administers eight Federal grants, three of which are used to support the activities of the 40 counties participating in the Emergency Preparedness Program (see Table 2). The most important grant for county funding is the Personnel and Administration (P&A) Grant. With this grant, and the required local match, counties fund their local emergency preparedness (civil defense) officer and office operating expenses. This grant, over \$600,000 in Federal funds, is divided between State and local governments. EPD allocated \$421,059 in P&A funds among 40 counties for Federal FY 80-81.

Two other grants are used for county activities. One funds the maintenance and servicing of communications equipment, and the other funds the training of State and local personnel in emergency management.

The other five grants administered by EPD are used at the State level. Three of the grants are used for funding a Radiological Officer, radiological equipment maintenance, and the identification of shelters for protection in a nuclear emergency. The fourth grant is used to establish emergency operating centers, while the Disaster Preparedness Improvement Grant is used for improving the State emergency plan.

EPD also administers one private contract. Under a Memorandum of Understanding, EPD receives funds from three private power companies to develop emergency plans for three of the State's nuclear power plants. The \$165,000 contract was awarded for the first time in FY 80-81.

TABLE 2
EMERGENCY PREPAREDNESS DIVISION
EXPENDITURES¹ - FEDERAL FY 80-81

	Funding Sources			
By Federal Grant:	Federal	State ²	Local ²	Total
State and Local Use				
Personnel and Administration	\$662,400	\$241,341	\$421,059	\$1,324,800
Communications, Maintenance and Services	19,300	1,575	17,725	38,600
Training	29,000	-	-	29,000
State Use ³				
Preparedness Plan Improvement	24,959	24,959	-	49,918
Radiological Instruments Maintenance	57,649	-	-	57,649
Shelter Survey	51,541	-	-	51,541
Radiological Defense Officer	9,600	-	-	9,600
Nuclear Civil Protection	120,456	-	-	120,456
Total	\$974,905	\$267,875	\$438,784	\$1,681,564

Source: EPD Administrative Support Records.

¹Estimated.

²Matching funds required by the Federal Grants.

³Funds designated by the Federal Government for specific uses.

CHAPTER II
ADMINISTRATION OF GRANTS AND CONTRACTS

The Audit Council reviewed the administration of the Personnel and Administration Grant and the contract received for preparing emergency plans for three commercial nuclear power plants. Several problems were found in the manner in which EPD has handled the grant and the contract.

Personnel and Administration Grant

The Personnel and Administration (P&A) Grant is the largest received by the State for emergency preparedness programs (\$662,400 in FY 80-81). Used to fund both State and county personnel and operating expenses, the P&A funds are the only operating funds counties receive from the Federal Government. EPD has the authority to allocate any portion of these funds to State or county operations.

The Audit Council reviewed the administration of the P&A Grant by EPD and found that in FY 79-80 EPD did not negotiate an indirect cost rate. In FY 80-81, EPD reduced the counties' allocations to pay indirect costs and additional operating costs of the State Office. Funds from the grant are being used to fund two positions in the Governor's Office. In addition, EPD has not developed appropriate criteria for allocating P&A funds to counties.

Indirect Costs

EPD did not apply to the Federal Government for an indirect cost rate to reimburse the State for administering Federal grants in FY 79-80. As a result, \$46,433 of the Federal funds which should have gone to the General Fund as indirect cost recoveries were allocated by EPD to the counties.

All programs, such as Federal grants, have two basic categories of costs: those incurred to provide services (direct costs) and those incurred to administer the program (indirect or overhead costs). Federal Regulations allow State agencies to use a portion of their funds for the costs of administrative overhead. To do this, the agency must file a proposal and obtain Federal approval for an "indirect cost rate." With this rate applied to direct costs, the agency can use Federal funds to pay for administrative costs, including some of the costs incurred by other central State agencies (such as the State Treasurer's Office and the State Comptroller's Office).

EPD did not apply to the Federal Government for an indirect cost rate in FY 79-80. However, EPD did remit \$48,381 in FY 77-78 and \$34,360 in FY 78-79 in indirect costs to the General Fund. When EPD was transferred from the Governor's Office to the Adjutant General's Office, the Division did not negotiate an indirect cost rate for FY 79-80.

Agencies are required by Act 651 of 1978 to apply to the Federal Government for indirect cost rates. State Budget and Control Board policy states:

Indirect cost recoveries must be applied for where permitted under Federal Regulations, and must be deposited in the General fund as required (Item 300, Section 4 Grants and Contract Review Manual).

The FY 79-80 Appropriation Act requires that reimbursements of the Federal Government, including indirect cost recoveries, are to be returned to the State General Fund.

In August 1980, the State Auditor's Office discovered EPD had not remitted any indirect costs to the General Fund. EPD was requested to turn in any remaining Federal funds as indirect costs. As a result, EPD remitted \$8,292 as indirect costs in Federal FY 79-80.

If EPD officials had negotiated a proper indirect cost rate in FY 79-80, approximately \$54,725 would have been remitted to the General Fund, however, only \$8,292 was recovered for indirect costs. The State General Fund lost \$46,433 in indirect costs recoveries. Because agency officials failed to comply with State law, State funds were committed to pay administrative costs of Federal programs.

County Emergency Preparedness Funds

EPD has reduced the Federal funds available to counties from the Personnel and Administration (P&A) Grant in order to pay indirect costs to the General Fund and to meet increases in personnel and operating costs in the State Office.

In Federal FY 80-81, EPD expended more than \$47,900 which had been allocated for the counties the previous year. Approximately \$26,000 was paid as indirect costs to the General Fund, and more than \$21,900 was used to meet increases in personnel and operating costs in the State Office.

The funds from the P&A Grant are used for the operating expenses of both the State and county offices. EPD has the authority to allocate any portion of these funds to the State or to the counties' operations.

Emergency planning and response is carried out at the local and the State level in South Carolina. Since FY 78-79, the Federal funds available for emergency programs have been shifted by EPD from the counties to the State (see Table 3). An increase in Federal funds in FY 79-80 went primarily for State expenses; the counties received only a small increase. When there was no additional funding in FY 80-81, the State share was increased by reducing the amount of funds allocated to the counties.

TABLE 3
STATE AND COUNTY SHARE OF FEDERAL
PERSONNEL AND ADMINISTRATION GRANTS

<u>Federal Fiscal Year</u>	<u>State Share¹</u>	<u>% Increase (Decrease)</u>	<u>County Share</u>	<u>% Increase (Decrease)</u>	<u>Total Expenditures</u>
1978-79	\$158,428	-	\$443,482	-	\$601,910
1979-80	193,369	22%	469,031	6%	662,400
1980-81	241,341	25%	421,059	(10%)	662,400

¹Includes any indirect costs paid.

Source: EPD and Comptroller General Records

Increases in State operating expenses should not be funded at the expense of the counties. Indirect costs, for example, are overhead costs incurred at the State level for administering Federal programs. According to Grants and Contracts Review of the Budget and Control Board, EPD indirect costs cover:

- costs of statewide central service agencies such as the State Treasurer's Office, the Comptroller General's Office, and various Budget and Control Board agencies that benefit from the Federal program.
- departmental indirect costs within the Adjutant General's Office providing supportive services to the State-level operation of the Emergency Preparedness Program.

The amount required for remitting indirect costs needs to be shared by the State Office and the counties. In addition, EPD can increase the efficiency of the State Office to avoid paying for costs of personnel and operations with Federal funds which would normally go to counties (see p.28).

EPD funded indirect costs and increased State Office costs with \$47,972 of county "pass through" funds. As a result, the counties' average allocation in P&A funds was reduced by \$1,484 in FY 80-81 (see Appendix C). The counties received an average of \$12,010 in FY 79-80. Although the initial responsibility for responding to a disaster rests with local government, EPD has reduced funding to those with that responsibility.

Funding Services in Governor's Office

For three years, the Emergency Preparedness Division (EPD) has used the Personnel and Administration (P&A) Grant to fund positions in the Governor's Office. Funding these positions results in a duplication of services provided by EPD and limits the amount of funds available for the local emergency preparedness program.

EPD provides the Division of Public Safety Programs within the Governor's Office funds for two positions, an Emergency Program Coordinator II and a secretary. The Coordinator is to "act as liaison" between EPD and the Governor.

According to an April 1979 Memorandum of Agreement between the Office of the Adjutant General and the Governor's Office, EPD "shall annually furnish the Governor's Office the sum of \$35,000 to assist in the staffing and maintaining of the Governor's Comprehensive Emergency Management Program." Half of these funds (\$17,500) comes from the P&A Grant, and the matching \$17,500 is paid from EPD's State funds. This funding arrangement began after the General Assembly moved EPD from the Governor's Office to the Adjutant General's Office. EPD is the only State division or agency that funds positions within the Governor's Office. The Division has provided \$105,000 for the positions in Public Safety in three years.

The duties of the EPD Director and the ongoing activities of EPD make the establishment of a liaison within the Governor's Office a duplication of effort and responsibility. The duties assigned the liaison include analyzing information and evaluating ongoing emergency preparedness programs. He develops plans and procedures to coordinate Federal, State and private groups to support the role of the Governor's Office during an emergency.

EPD was established for the purpose of coordinating the efforts of all State, county and municipal agencies and departments in planning for an emergency (Section 25-1-420). The Director performs essentially the same functions as the liaison and could report directly to the Governor on emergency programs.

According to Federal guidelines, the use of P&A funds on salaries and expenses for the Governor's Office is an unallowable cost. EPD had to obtain special approval from the Regional Federal Emergency Management Agency to fund the Public Safety positions with the Federal funds. Of the nine southeastern states contacted by the Audit Council, none fund a position in the Governor's Office or use P&A funds to support such a position.

The Federal funds available to the counties for emergency preparedness are limited. The expenditure of \$105,000 to provide for the positions in the Governor's Office, FY 79-80 to FY 81-82, has further reduced the funding for State and county emergency preparedness. If the positions had been eliminated or funding had been assumed by the Governor's Office, \$52,500 in Federal funds would have been available for county programs.

Allocations to Counties

The Emergency Preparedness Division (EPD) does not have adequate criteria for allocating Federal funds among counties for local emergency preparedness offices. According to Division personnel, county allocations are based primarily on historical budget and expenditure data.

County emergency offices are funded through the Personnel and Administration (P&A) Grant. EPD has the authority to determine which of the counties receive Federal funds and the amount of the funds. Counties, however, are required to provide local funds for a 50/50 match.

According to EPD officials, the EPD Director and the Administrative Branch Manager determine the amounts to be allocated to the counties, with the approval of the Adjutant General. No written policy or procedures outline the criteria used in allocating the funds. EPD personnel informed the Council that county requests, together with previous budgeted allocations and actual Federal dollars received, are used in determining the Federal funds available to a county. The program planners, who work directly with the counties, do not assist in determining the county allocations.

The Audit Council examined the county requests, budgeted allocations, and actual dollars received for FY 78-79 to FY 80-81. The review indicates that the majority of the budgeted allocations were based on budgeted allocations or actual Federal dollars received for the previous year (see Appendix C).

The use of historical cost data alone in determining the allocation of funds to the counties does not consider enough criteria to properly assess the funding needs of the county programs. This method of allocating funds does not take into account changes in county programs nor

does it permit the funding of a county which has just established an emergency planning program. The method also ignores the likelihood of a particular county experiencing nuclear or natural disaster and the number of people affected. Richland County, for example, received an average of \$45,875, 10% of the total funds allocated to 40 counties in Federal FY 78-79 through FY 80-81. The county, however, is in a low risk area for nuclear and natural disasters. On the other hand, Charleston County, with a larger population and in a high risk area for both nuclear and natural disasters, received an average of \$24,426 for the same years.

As can be seen in Appendix C, York and Florence Counties requested approximately the same amount of funds in FY 80-81, yet they were budgeted different amounts. York, located in a low nuclear risk area and having a smaller population, received 87% of its request. Florence, in a higher nuclear risk area with a higher population, received 58% of its request.

In reviewing the Federal guidelines used in allocating available funds to the states, the Audit Council found several factors that could be applied to the State's current county allocation method. In addition to historical cost data, EPD could consider factors such as population, potential for nuclear or natural disaster, and the level of program development.

In order to effectively allocate limited funds, written criteria and guidelines should be established. All of the knowledge and experience available should be used in assessing the development of programs. In this manner the efficient and effective use of Federal funds for local emergency preparedness can be assured.

Inconsistencies are more likely to occur when standard criteria are not applied in determining county allocations. Since the disaster risk is not equal across the State, the factors which affect the planning for a disaster need to be considered.

RECOMMENDATIONS

THE STATE EPD, AS WELL AS THE COUNTIES SHOULD ASSUME THE INDIRECT COSTS OF ADMINISTERING FEDERAL FUNDS. THE COUNTIES' FUNDS SHOULD NOT BE REDUCED TO COVER THE TOTAL AMOUNT.

EPD SHOULD NOT FUND PERSONNEL AND OPERATING INCREASES AT THE STATE LEVEL WITH FEDERAL FUNDS AVAILABLE TO COUNTIES BUT SHOULD IMPROVE ITS OPERATIONAL EFFICIENCY TO ABSORB HIGHER COSTS.

EPD SHOULD NOT FUND POSITIONS IN THE GOVERNOR'S OFFICE. LIMITED FEDERAL FUNDS SHOULD BE USED IN AREAS WITH THE GREATEST NEED, SUCH AS THE LOCAL EMERGENCY PREPAREDNESS PROGRAMS.

EPD SHOULD ESTABLISH WRITTEN CRITERIA AND SHOULD CONSIDER ADDITIONAL FACTORS IN ALLOCATING FEDERAL FUNDS TO THE COUNTIES.

FACTORS, SUCH AS POPULATION, RISK AREAS,
AND THE LEVEL OF PROGRAM DEVELOPMENT
SHOULD BE EXAMINED. THIS WOULD ESTABLISH
A MORE STANDARDIZED METHOD TO ALLOCATE
FUNDS TO COUNTIES.

Power Company Contract

The Emergency Preparedness Division (EPD) has received \$165,000 from three power companies to prepare emergency plans for three commercial nuclear power plants. Federal Regulations require a state to have emergency plans for each nuclear plant built within its borders. Without these plans, a nuclear plant cannot obtain a license to operate. No State or Federal funds were available to develop emergency plans for the three plants even though two of the plants were almost ready to begin operation. In order to comply with Federal Regulations and begin plant operation, the power companies agreed to fund the development of the emergency plans. The Memorandum of Understanding between EPD and the power companies, signed in June 1981, is renewable each fiscal year and funds can be carried over from one year to the next. Upon reviewing the expenditures made from this contract, the Council found that some direct costs have not been charged to the contract and that in one instance unrelated costs have been charged.

Charges to Power Company Contract

Costs have not been correctly charged to the power company contract by EPD. Approximately \$20,000 for personnel involved in developing the emergency plans for the nuclear plants has not been charged to the contract, while \$8,000 is being expended on services unrelated to the intent of the Memorandum of Understanding.

Three nuclear power planners have been hired under the contract to prepare, update, review and test nuclear power plant emergency plans. These planners are supervised by EPD personnel, and the administration at EPD works with them on tasks related to the commercial

nuclear power plants. Division officials stated, however, that EPD personnel costs, although related to commercial nuclear emergency planning, would not be charged to the power company contract. EPD personnel costs related to the contract are approximately \$20,000 annually.

EPD is expending funds from the power company contract on services unrelated to the intent of the Memorandum. Approximately \$8,000 of these funds have been used to rehire a clerk in the Adjutant General's Office, released as a part of the 7% personnel budget cuts required by the Budget and Control Board. The clerk, under the supervision of the accounting manager, performs clerical and accounting tasks related to the Adjutant General's Office, not the contract.

Good management principles would require that EPD charge all direct program costs to the proper source of funding and not charge unrelated costs. The Memorandum of Understanding between EPD and the power companies allows EPD to expend funds to:

...defray costs of personnel, equipment, supplies and other expenses needed or incurred to...update, modify and develop annexes necessary for direct and resource support required to accomplish Fixed Nuclear Facility Planning on a Statewide basis.

The contract proposal sent to the Budget and Control Board states:

...These contracts will provide funds to offset the costs to the State agencies... to test the various plans required by the Federal Emergency Management Agency...

The \$8,000 used to fund the clerk's position was not approved by the Joint Appropriations Review Committee as a part of the agreement. By charging this position to the contract, the intent of the Memorandum is not met and the 7% cut in personnel costs is avoided in the Adjutant General's Office.

Since EPD has not correctly charged costs to the contract, the funds required to meet the Memorandum of Understanding have been underestimated. The Memorandum is renewable each year, therefore, the actual costs of completing the emergency plans for the nuclear plants must be determined. Under the current contract, funds were available to meet the personnel costs in EPD.

Approximately \$20,000 in State and Federal funds will be used in FY 81-82 to comply with the Memorandum's requirements. If costs had been correctly charged, \$10,000 in Federal funds could have been used to increase funding to county emergency preparedness programs.

RECOMMENDATIONS

EPD SHOULD CHARGE ALL DIRECT COSTS TO THE
POWER COMPANY CONTRACT. UNRELATED COSTS
SHOULD NOT BE CHARGED TO THE CONTRACT.

CHAPTER III
ORGANIZATION AND PERSONNEL PROCEDURES

Introduction

EPD has 29 State positions to carry out the State and Federal mandates for emergency preparedness. The Division has an Executive Staff and is organized into three branches: Administrative Support; Operations, Planning and Training; and Nuclear Civil Protection (see Table 4). The Executive Staff and two of the support branches are funded half with Personnel and Administration Grant funds and half with State funds. The Nuclear Civil Protection Branch is 100% Federally funded.

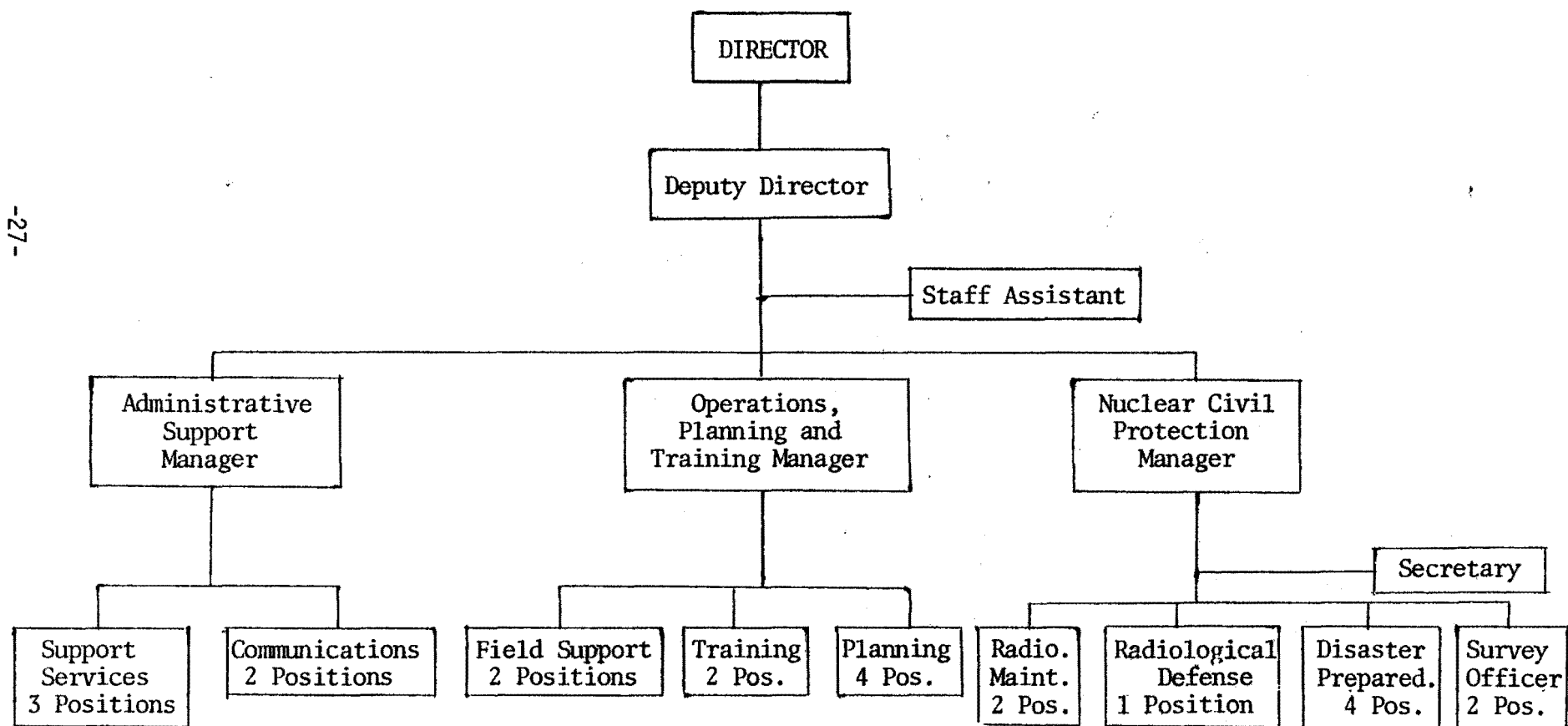
The Executive Staff has the responsibility of supervising the day-to-day operations of EPD, maintaining personnel files, handling correspondence between local governments and Federal agencies, and approving pass-through of Federal funds to counties. The Director, Deputy Director and a secretary comprise the Executive Staff.

The Administrative Support Branch handles administrative services and statewide communications. Six positions provide such services as personnel, bookkeeping and budgeting, as well as communications coordination.

The nine coordinators in the Operations, Planning and Training Branch are responsible for developing a comprehensive emergency preparedness plan for the entire State. The monitoring and evaluation of the operational readiness of local emergency preparedness offices, and the implementation of training programs for local offices, occurs in this branch. The Operations Branch also serves as the principal

TABLE 4

CURRENT ORGANIZATIONAL STRUCTURE



coordinator for all civil defense activities that take place within and between different levels of government.

The Nuclear Civil Protection Branch is part of the State civil defense effort. The 11 positions in this branch develop crisis relocation and fallout shelter plans for use in the event of a nuclear attack, handle the maintenance of radiological equipment, and the training of its use. This branch reviews and updates county nuclear protection plans in accordance with Nuclear Civil Protection requirements.

The Council examined the organizational structure of EPD. Included in the examination were the duties and responsibilities of each position and the purpose and function of each branch within EPD. The correlation of duties between the administrative support services provided by the Adjutant General's Office and EPD was also reviewed. The duplication of administrative services within the Division and with the Adjutant General's Office needs to be eliminated. EPD could be organized more efficiently. The Division has not complied with regulations in maintaining its personnel files nor has it used standard personnel procedures in meeting the requirements of the power company contract.

Organization Review

There is a duplication of duties and responsibilities for administrative support services within EPD and the Adjutant General's Office. Positions are inappropriately placed within EPD's organizational structure. Although the Adjutant General's Office provides administrative support services such as personnel administration, budgeting and accounting services for EPD, the same functions are being performed within EPD by the Executive Staff and the Administrative Support Branch. Two technical positions,

a Communications Officer and a Disaster Preparedness Coordinator II, unrelated to administration, are housed in the Administrative Support Branch. The size of the EPD staff and budget does not warrant a Deputy Director position at EPD. The current organizational structure at EPD results in the unnecessary annual expenditure for personal services of approximately \$70,000 in State and Federal funds.

Historically, EPD has been a separate agency responsible for its own administrative support services. In 1976, EPD was known as the South Carolina Disaster Preparedness Agency and was composed of six divisions totalling 63 positions. Since that time, the staff of EPD has been reduced to 29 positions, and the Division has become a part of the Adjutant General's Office, which makes administrative support services available to EPD. Despite the decrease in staffing and changes in administrative needs, EPD has chosen to retain a Deputy Director and an Administrative Support Branch.

Efficiency is hampered when responsibilities among the branches within an agency are duplicated. One section within an umbrella agency can operate in a more cost-effective and efficient manner when that section uses the support services offered. In this case, EPD does not need a separate unit to handle administrative support functions. The Adjutant General's Office, as well as the Executive Staff at EPD, could absorb the responsibilities now carried out by the Administrative Support Branch.

The Communications Officer and the DP Coordinator, according to agency personnel and position questionnaires, do not perform any administrative functions within the agency. EPD should have placed these technical positions in the Operations, Planning and Training Branch which is more in line with their duties and responsibilities.

RECOMMENDATION

EPD SHOULD CONSIDER A REORGANIZATION WITH THE ESTABLISHMENT OF TWO SUPPORT DIVISIONS (SEE TABLE 5).

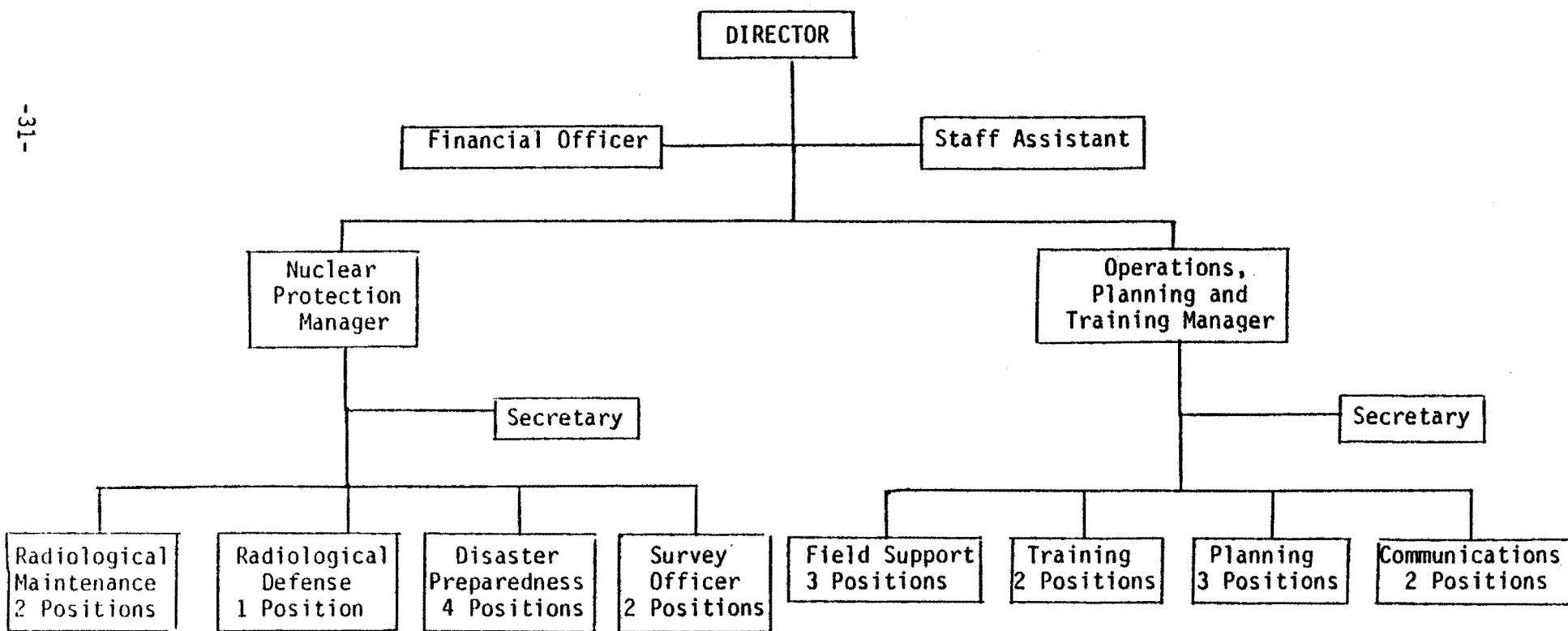
- (1) EXECUTIVE STAFF - THE DIRECTOR, FINANCIAL MANAGER, AND A STAFF ASSISTANT WOULD HANDLE THE DAY-TO-DAY OPERATIONS, CORRESPONDENCE, AND APPROVAL OF FUNDING FOR THE COUNTIES.
- (2) OPERATIONS, PLANNING AND TRAINING - COMMUNICATIONS WOULD BE ADDED TO THE RESPONSIBILITIES OF THIS BRANCH. A SECRETARY WOULD BE SHIFTED TO THE BRANCH TO HANDLE CORRESPONDENCE AND REPORTS.

UNDER THE DIRECTOR WOULD BE THE TWO BRANCH MANAGERS WHO EXERCISE EXTENSIVE RESPONSIBILITY IN DIVISION ACTIVITIES.

The reorganization would allow termination of three positions at EPD; the Deputy Director, a Branch Manager, and a Staff Assistant, with an annual savings of \$70,000. This action would streamline the agency, create clear lines of authority, and provide more funds and effective services to the counties without increasing EPD's budget.

TABLE 5

PROPOSED ORGANIZATIONAL STRUCTURE



Personnel Records

A review of EPD's personnel records indicates that the Division has not complied with State Personnel Regulations and that no established personnel files contain all the required documentation on EPD employees.

The Audit Council found that personnel files on the employees are kept in two locations. Some of the records are kept in the Adjutant General's Office (Dennis Building) and others are located in EPD (Rutledge Building). An examination of both of the files revealed that personnel records lacked such important documentation on the employees as job applications, criteria for hiring, and letters of reference. The position questionnaires, which define the duties and responsibilities of each position and the training and experience required, were out of date.

Complete and current personnel files and job descriptions are necessary to protect both the State agency and its employees. State Personnel Rules and Regulations require an agency to keep accurate and complete personnel files (Section 8.02 Par. B). The specific items which the regulations say must be maintained in personnel files include: a copy of the employment application, copies of all personnel action reflecting the history of the employee's service, correspondence directly relating to the employee's work record, copies of all performance appraisals, and accurate position questionnaires.

The position questionnaires include such information as description of the position, the specific duties required, supervisory responsibilities, relationship or contact with others in the agency. This job description is used by State Personnel to determine the grade and salary of the

position. Agencies use it as a tool in performance appraisals of an employee. According to State Personnel Rules and Regulations:

The position questionnaire shall serve as a record of the official assignments of the position to be used in comparison of position to insure uniformity of classification, for the establishment and revision of classes, and as a basis for other personnel matters. (Section 1.05 paragraph A) [Emphasis Added]

New position questionnaires on each position are required to be submitted when an agency reorganizes. In 1979, the General Assembly moved EPD from the Governor's Office to the Adjutant General's Office. The Division neglected to submit position questionnaires to State Personnel for their approval. The Council found that only ten out of the 29 positions at EPD had current position questionnaires.

Without resumes, job applications, test results and other important employment documentation, an agency is open to accusations of discrimination or other undesirable personnel practices. The absence of pertinent employment documentation can result in problems in salary increases and promotion.

Personnel Procedures

A review of personnel procedures indicates EPD did not follow standard hiring procedures nor document the suitability of the individuals hired under the power company contract. (The contract is discussed in detail on p.23).

Three emergency preparedness coordinators were hired on a contractual basis in July 1981, when there were no specific State regulations outlining procedures to be followed in recruitment. According to the Budget and Control Board, however, agencies are responsible to ensure that adequate procedures are taken to employ the most qualified individuals. The Audit Council could find no documentation that EPD advertised the positions of coordinators or took measures to ensure the general public had access to the positions.

While the positions are contractual, the procedures followed in filling those positions should not have differed greatly from standard recruitment practices. State merit system regulations state that "intensive recruitment and valid and reliable selection techniques shall be utilized" in recruiting applicants. State Personnel Policies and Procedures state:

Any person appointed to a position in State service must meet the minimum training and experience requirements... [Section VII, 7.02 I].

The Affirmative Action Plan of the Adjutant General's Office states that employment opportunities will be open to all individuals:

It is the policy of this agency to recruit, hire, train and promote employees without discrimination... This policy applies to all levels and phases of personnel administration, such as recruitment or recruitment advertising... [Emphasis Added]

The review of the personnel files of the three individuals hired to meet the terms of the contract indicate that EPD has not documented the

suitability of training and experience of two of the planners. EPD officials have stated that the two planners were known to the agency and did have the required experience. However, if personnel records do not contain supportive information, the agency can face difficulties.

With the lack of open recruitment and the problems with documentation of personnel qualifications, EPD is open to accusations of unfair and discriminatory hiring practices. EPD should have carried out "intensive recruitment" in order to ensure that the most qualified individuals were hired to meet the requirements of the power company contract.

RECOMMENDATIONS

THE ADJUTANT GENERAL SHOULD CONSIDER
ADOPTION OF THE SUGGESTED REORGANIZATION
OF THE DIVISION.

THE OFFICIAL PERSONNEL FILES FOR EPD SHOULD
BE MAINTAINED IN THE ADJUTANT GENERAL'S
OFFICE.

EPD SHOULD TAKE IMMEDIATE ACTIONS TO ESTABLISH AND MAINTAIN COMPLETE PERSONNEL FILES ON EACH EMPLOYEE IN COMPLIANCE WITH STATE PERSONNEL RULES AND REGULATIONS.

EPD SHOULD IMMEDIATELY UPDATE ALL POSITION QUESTIONNAIRES AND FORWARD THEM TO STATE PERSONNEL DIVISION FOR THEIR APPROVAL.

EPD SHOULD FOLLOW STANDARD HIRING AND
DOCUMENTATION PROCEDURES WHENEVER RE-
CRUITING.

APPENDICES



Military Department

/lbp

T. ESTON MARCHANT
MAJOR GENERAL
THE ADJUTANT GENERAL

STATE OF SOUTH CAROLINA
OFFICE OF THE ADJUTANT GENERAL
REMBERT C. DENNIS BUILDING
1000 ASSEMBLY ST.
COLUMBIA 29201

AGSC

8 December 1981

Mr. George L. Schroeder, Director
Legislative Audit Council
State of South Carolina
620 Bankers Trust Tower
Columbia, South Carolina 29201

Dear Mr. Schroeder:

I, and members of my staff, have reviewed, in your office, the Audit Report on the Emergency Preparedness Division and would like to comment from memory on some of the items contained in the report.

1. FORMULA FOR ALLOCATING MONEY TO STATES AND LOCALS.

The report states that EPD should establish written criteria and should consider certain factors in allocating Federal funds to the counties. Factors, such as population, risk areas, and the level of program development, should be examined. It is indicated that this would establish a more standardized method to allocate funds to counties.

The above method of allocating monies to counties is now considered; however, other factors are also considered by EPD. If only counties with risk and large populations were considered there are several counties in the State of South Carolina which would receive no funds, or very little. Also, the county's ability or willingness to match 50/50 Federal-County must be taken into consideration. Historical data and the county's ability or willingness to match, has a high priority on the method of allocation. The sum of \$20,000 was allocated to eighteen counties, not included in the audit report, for maintenance and services. The other twenty eight counties did not request M&S funds. Of this \$20,000, \$5,169 was turned back and was a loss to the State. Counties either over-estimated their need, or the counties were not able to match the funds. It is our opinion that the system now used by EPD is fair and workable. A written policy will be established based on historical data with consideration given to population, risk, and the level of program development. However, the matching capability of the counties is and must be a determining factor.

AGSC

8 December 1981

Mr. George L. Schroeder, Director, Legislative Audit Council

2. EPD REDUCED FEDERAL FUNDS TO COUNTIES BY \$26,000 and \$29,000.

EPD appeared before the Joint Appropriations Review Committee to request a waiver of the imposed indirect costs (\$26,000.00), and it was our understanding that this amount should be taken off the top of the EMA funds and the balance allocated to the counties and State. In FY 80, the State office operating expenses were \$185,404.07, and in FY 81, these expenses were \$205,579.78, an increase of \$20,175.71, which was due to inflation and salary increases.

For EPD to continue to operate efficiently and comply with the State of South Carolina law, the present staff should be maintained as a minimum. The State EPD staff must be able to assume these responsibilities and, although there has been no increase in personnel, inflation and personnel costs have increased. If the State could assume this increase in personnel operating cost, Federal funds could be passed to the counties. County civil defense agencies are staffed in most cases with one or two people and could/should not be expected to handle a large emergency. The following is taken from the Audit Council Report of 29 April 1980, on State and Local Nuclear Emergency Preparedness:

"The council feels that the inadequacies at the local level, when viewed together, are serious enough in nature to comprise a potential major problem. These circumstances inhibit the ability of the State to ensure that the public is protected from potential hazards with maximum efficiency and effectiveness. In this section we treat the inadequacies found in the evaluation of local level preparedness as a major finding. The report by the Governor's Task Force discusses the details of the deficiencies and recommendations thoroughly. Accordingly, we have attempted in this section only to summarize the general nature of the problems cited in each of the nine emergency preparedness categories examined."

If adequate Federal funds are not retained at the State level whereby EPD can accomplish its mission, the only recourse is for the State to consider additional funding for EPD in order that EPD can comply with the law.

3. EPD DID NOT REMIT INDIRECT COST TO THE GENERAL FUND IN FY 79-80.

In FY 79-80, EPD was transferred from the Office of the Governor to the Office of the Adjutant General. During this transition period no rate of indirect cost was established. However, Grants and Contracts did agree to accept a rate of 2.5% (\$8,528.72) indirect cost, which was paid. In requesting funds from Federal Emergency Management Agency (FEMA), EPD requests the amount needed for operations and an additional amount for the indirect cost. FEMA gives the states the amount requested for operations and indicates that any indirect costs will be taken from that amount. FEMA does not allocate additional monies for indirect cost. Indirect cost money must be deducted from the total allocated to the State.

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8 December 1981

Mr. George L. Schroeder, Director, Legislative Audit Council

4. EPD HAS NOT FOLLOWED COMMON HIRING PROCEDURES WHEN HIRING CONTRACTUAL EMPLOYEES.

At the time of hiring of contractual employees there were no State laws or regulations concerning the hiring of such employees. The Attorney General's Office prepared the contracts for hiring of these personnel and the EPD Director hired these contractual employees based on personal knowledge of the training and employment background of the employees. Subsequent to the initial hiring of the contractual employees, the S. C. Consolidated Procurement Code was enacted and it was determined by the Division of General Services that EPD did not comply with this new code. However, when these contracts were negotiated, the EPD Director was not aware that these contracts were within the purview of the new Procurement Code. After EPD was made aware of the Procurement Code, the Office of the Attorney General was contacted and it was determined that the contracts could not be voided. Accordingly, EPD wrote the Division of General Services requesting a ratification. The Division of General Services has approved ratification of the contracts.

5. DUPLICATION OF SERVICES IN EPD AND THE ADJUTANT GENERAL'S OFFICE.

The Administrative and Logistical Branch is mis-named and should be called Logistical and Support Branch, as it provides logistical and support services to the entire division and to county civil defense agencies. Duties of this branch includes the preparation of State and Federal budgets for EPD and local subdivisions, billing, receipt and disbursement of State and Federal funds, pre-audit of all expenses, including expenditures of local sub-divisions (counties), and the administration of all Federal fund programs in the Division. This branch establishes and maintains the communications and warning systems in the State Emergency Operations Center (EOC), and assists local sub-divisions (counties) with their communications and warning systems. This branch also provides direction and guidance to the counties in preparing their requests for Federal Emergency Management assistance funds, their staffing patterns, budgets, merit system matters, audit monthly financial reports from each county to determine eligibility and proper documentation for Federal reimbursement. Additionally, this branch allocated and maintains records on the M&S Federal funds that are allocated to the counties on request. This is a separate Federal fund allocated for emergency management readiness at State and local level. These are matching funds, 50/50 County and Federal, and are provided for charges of electrical power, telephone charges, warning systems and maintenance of these systems, requiring this fund to be monitored to assure that the funds are expended as intended. This branch provides assistance to local government (counties) in preparing project applications to request Federal funds to construct EOCs in the counties, and the maintenance of these EOCs in the counties.

This branch is responsible for maintaining records, inspecting and auditing 709 pieces of Federal equipment, such as trucks, jeeps, tankers, generators, etc., on

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8 December 1981

Mr. George L. Schroeder, Director, Legislative Audit Council

loan to the counties with a value of \$4,082,242. This branch is responsible for monitoring the Federal cash flow, makes withdrawals from the Federal reserve as required, and prepares monthly and quarterly financial reports on Federal funds to Federal Emergency Management Agency (FEMA).

The Office of the Adjutant General is overtaxed at present in its administrative and fiscal section and does not have the personnel on board or the expertise to assume this responsibility. Should this responsibility be given to the Office of the Adjutant General, it would require the hiring of additional employees at 100% State funding. The personnel now doing this work are funded 50/50 State/Federal.

6. POWER COMPANY CONTRACTS.

In our opinion, all costs associated with the nuclear power plant planning exercises, etc., are correctly charged to the power company contract. Upon discussion with the Audit Committee, it was understood it is recommended that a portion of the salaries of the Director, Administrative & Logistical personnel, clerks, and some others should be charged to the power company contracts in the amount of approximately \$20,000.00.

Our position is that no definite amount of time spent on these plans can be directly charged to any of the above personnel, and that only the salaries of these contract employees should be charged to the contracts. With the amount of taxes paid by the utility companies to the State of South Carolina, along with the indirect cost paid on the contracts, surely the State owes the companies some EPD services. The Joint Legislative Committee on Energy, in its report to the legislature in April 1980, indicates that the State is committed to this, and we quote:

"The State of South Carolina is committed to the development of effective response capabilities for the protection of life and property in all emergencies and welcomes Federal support and assistance in this effort. It also recognizes the serious need to up-grade emergency response capabilities in the event of a nuclear facility incident and has, as have Nuclear Regulatory Commission (NRC), the nuclear industry, and other states, exerted considerable efforts in recent months toward this end. The State supports Federal oversight and guidance in the development off-site response capabilities; however, the confusion and uncertainty in planning requirements following the Three Mile Island incident is not a proper environment in which to develop effective capabilities, nor does it serve the best interest of our citizens. The development of effective nuclear facility incident response capabilities will require close coordination and cooperation between responsible Federal agencies, State Government, and the nuclear industry. An orderly and comprehensive approach to this effort makes it necessary that on-site responsibilities be clearly identified with NRC and the nuclear industry while deferring off-site responsibilities to State Government with appropriate FEMA oversight and assistance."

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8 December 1981

Mr. George L. Schroeder, Director, Legislative Audit Council

7. ELIMINATE DEPUTY DIRECTOR'S POSITION.

The Deputy Director is utilized to coordinate the day-to-day activities of the staff and assume the many administrative and minute details that confront the Director. The Director is quite involved in field operations, visiting and assisting counties in their efforts. The Director is also required to sit as a member of boards, commissions, and attend meetings with the Regional Director at Regional Headquarters, which often requires him to be away from his office. During emergencies, and when the Emergency Operating Center (EOC) is activated, the Director and Deputy Director alternate, on shifts, to assure that senior management and an experienced EOC individual is present during the emergency. Also, during actual exercises concerning fixed nuclear accidents, the Deputy Director is located at the State EOC, and the Director is located at the Forward EOC, at or near the scene. The Deputy Director is charged with preparing and coordinating the Federal contracts with FEMA.

8. POSITION OF ACCOUNTING CLERK IN THE OFFICE OF THE ADJUTANT GENERAL.

The position for an accounting clerk in the Office of the Adjutant General was considered necessary under the power company contracts to handle the receipt and disbursement of contract funds related to fixed nuclear power plants. This contract position was filled from the State RIF list. The person filling this position has been recalled by their agency, and the position is vacant.

9. PERSONNEL FILES.

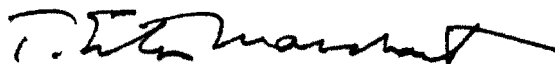
Upon EPD being transferred from the Office of the Governor to the Office of the Adjutant General, all personnel records were not transferred by DOA to the Office of the Adjutant General. These records are now being brought together under one file, and the complete employee personnel file will be maintained by the State Personnel Section, Office of the Adjutant General.

All EPD position questionnaires have been up-dated, and are being forwarded to the State Personnel Division for their approval.

10. POSITIONS FUNDED IN GOVERNOR'S OFFICE.

It is our understanding that the Governor's office will respond to this recommendation. This is a contractual agreement between the Governor's office and the Office of the Adjutant General, which was agreed to at the time of transfer.

Sincerely,



T. ESTON MARCHANT
Major General, SCARNG
The Adjutant General



State of South Carolina

Office of the Governor

RICHARD W. RILEY
GOVERNOR

December 3, 1981

OFFICE OF EXECUTIVE
POLICY AND PROGRAMS

Mr. George L. Schroeder, Director
Legislative Audit Council
620 Bankers Trust Tower
Columbia, South Carolina 29201

Dear Mr. Schroeder:

Earlier this week, I discussed with members of your staff who were involved in an audit of the Emergency Preparedness Division, preliminary recommendations which they made regarding funds transferred from the Emergency Preparedness Division to the Governor's Office for support of emergency management functions. You will find attached a response to the audit report.

Sincerely,

A handwritten signature in black ink, appearing to read "Bruce G. Dew", written over a horizontal line.

Bruce G. Dew
Director

BGD/cs

Attachment

Division of Public Safety Programs
Edgar A. Brown Building, 1205 Pendleton Street
Columbia, South Carolina 29201 (803) 758-3573

APPENDIX B (CONTINUED)

This response to a preliminary recommendation by the Legislative Audit Council regarding Emergency Preparedness Division funds is being made by the Governor's Office.

Currently, the Emergency Preparedness Division of the Adjutant General's Office furnishes \$35,000 to the Division of Public Safety Programs of the Governor's Office to partially fund a Comprehensive Emergency Management Section. The Audit Council recommended that this funding be discontinued and directed instead to areas of greater need. Indication in the audit report was that the services being funded in the Governor's Office already are being well managed by the Emergency Preparedness Division and that funding to the Governor's Office, therefore, covers duplication of effort. Additionally, the Audit Council called attention to the fact that the Emergency Preparedness Division is the only division in the state which funds positions in the Governor's Office.

In response, it should be noted that by an agreement between the Governor and the Adjutant General in 1979, the Emergency Preparedness Division was transferred to the Adjutant General's Office. In that there are functions required by the Governor which the Adjutant General's Office could not fulfill through the Emergency Preparedness Division, the Governor agreed to this change provided there be a transfer of \$35,000 annually to the Governor's budget with which to sustain those responsibilities peculiar to the Governor. This amount, envisioned by the Governor as meeting the needs of his office, has been found to be very minimal considering the scope involved in emergency management, and it only partially covers the expenses.

APPENDIX B (CONTINUED)

In regard to the Audit Council's indication that no other state agency funds a position in the Governor's Office, the record shows that in no other instance has the Governor released an entire division of his office to another state agency, at the same time releasing none of his own responsibilities.

The Audit Council in its report does not appear to comprehend the responsibility that is placed upon the Governor. By law, the Governor is charged with the public safety of the citizens of the state. Even though some services of the Emergency Preparedness Division and the Governor's Office are similar in areas of emergency management, the Governor must maintain his own staff to answer to and for him in the area of public safety.

In a Memorandum to Agreement dated April 26, 1979, between Governor Richard W. Riley and Adjutant General T. Eston Marchant (Exhibit A), specific emergency preparedness responsibilities were outlined for the Emergency Management Section of the Governor's Office. None of these responsibilities agreed upon by the Governor infringe upon the planning and coordination responsibilities of the Emergency Preparedness Division. They do provide for the Governor a framework within which the Governor can be assured that he not only is represented in the framework of emergency management in the state, but that he also has available to him information which will assist in developing policy regarding emergency management issues. Inasmuch as the South Carolina Comprehensive Disaster Preparedness Plan has not been updated to reflect the current responsibilities of the Governor's Office following transfer of the Emergency Preparedness Division to the Adjutant General's Office, it is understandable why the Audit Council questioned duplication of effort by the Emergency Preparedness Division and the Governor's Office.

It is hoped that the Audit staff in completing its work on this project has carefully reviewed Act 199 of 1979 of the S. C. Code of Laws (Exhibit B) which establishes the Emergency Preparedness Division in the Office of the Adjutant General. If so, it must certainly have been noted that this Act provides authoritative powers for the Adjutant General and the Director of the Emergency Preparedness Division ONLY in the following instances:

A. Adjutant General:

- 1) shall appoint a Director of the Emergency Preparedness Division, who shall serve at the pleasure of the Adjutant General;
- 2) may employ or appoint such additional staff as is necessary to the Emergency Preparedness Division;

B. Director, Emergency Preparedness Division:

- 1) shall administer the Division.

The Act further states that the Emergency Preparedness Division shall be responsible for implementation of the following:

- A. Coordinating efforts in developing a State Emergency Plan.
- B. Conducting a statewide preparedness program to assure that state, local and municipal governments execute the State Emergency Plan.
- C. Establishing and maintaining a State Emergency Operations Center and providing support for the state emergency staff.
- D. Establishing an effective system for reporting, analyzing, displaying and disseminating emergency information.

Act 199 also specifies the responsibilities of the Governor. Section C (a) charges the Governor, as elected Chief Executive of the State, with the responsi-

APPENDIX B (CONTINUED)

bility for the safety, security and welfare of the State during times of emergency, and also empowers him, and him alone, with certain extraordinary powers during such emergencies. Section C (b) further charges the Governor with the responsibility for the development and coordination of a system of comprehensive emergency management to include provisions for mitigation, preparedness, response and recovery in anticipated and actual emergencies.

The Constitution and laws of the State of South Carolina do not allow the Governor to transfer to any state agency this responsibility for the safety and welfare of the state's citizens. To fulfill the responsibilities assigned in Act 199, it is imperative that the Governor maintain a staff, completely separate and apart from any state agency, to deal with him emergency management responsibilities. These staff persons must be completely available to the Governor on a 24-hour basis and entirely accountable to him.

When the Emergency Preparedness Division was transferred in 1979 from the Governor's Office to the Adjutant General's Office, the Governor was faced with the necessity of funding, as economically as possible, a staff to carry out his unique responsibilities which could not be transferred. Admittedly from an administrative standpoint, transferring funds from the Adjutant General's budget to the Governor's budget is an awkward procedure. It would be better to fund positions in the Governor's Office directly from the Governor's budget; however, until a better arrangement can be made, the present arrangement appears to be the best of the following options:

1. Continue to transfer \$35,000 annually from the Emergency Preparedness Division budget of the Adjutant General's Office.
2. During the budget process, remove \$35,000 from the Adjutant General's budget and transfer it to the Governor's budget.

3. Transfer the Emergency Preparedness Division back to the Governor's Office, which would require legislative action.

The present arrangement has worked well, and the Emergency Management Section of the Governor's Office has maintained an excellent relationship with the Emergency Preparedness Division of the Adjutant General's Office.



State of South Carolina

Office of the Governor

RICHARD W. RILEY
GOVERNOR

April 26, 1979

POST OFFICE Box 11450
COLUMBIA 29211

MEMORANDUM OF AGREEMENT

Pursuant to the proposed legislation transferring the Disaster Preparedness Agency from the Governor's Office to the Adjutant General's Office and pursuant to the Constitution of the State of South Carolina, the Governor is charged with the responsibility of the development and the coordination of Comprehensive Emergency Management. Based on this constitutional and legislative mandate, the Office of the Governor of South Carolina and the Office of the Adjutant General do hereby agree to the following:

1. That the Governor's Office shall be responsible for the overall coordination and management in states of emergency.
2. That the Governor will maintain an adequate staff to discharge this responsibility.
3. That the Office of the Adjutant General, South Carolina Emergency Preparedness Division, shall annually furnish the Governor's Office the sum of \$35,000 to assist in the staffing and maintaining of the Governor's Comprehensive Emergency Management Program.
4. That the Governor's Office shall coordinate and work with the Adjutant General's Office in preparing for and dealing with states of emergency in South Carolina.

T. Eston Marchant

T. Eston Marchant
Adjutant General of South Carolina

Richard W. Riley

Richard W. Riley
Governor of South Carolina

Exhibit A

APPENDIX B (CONTINUED)

DIVISION OF PUBLIC SAFETY PROGRAMS - GOVERNOR'S OFFICE

SPECIFIC EMERGENCY PREPAREDNESS RESPONSIBILITIES

1. Act as liaison between the Emergency Preparedness Agency and the Governor to insure unrestricted interchange of information on matters of mutual interest.
2. Act in the interest of the Governor at the State Emergency Operation Center during emergencies.
3. Provide staff support for the Governor to insure the issuance of timely appropriate executive orders during times of emergencies.
4. Coordinate with local, state and federal officials in the development and continuation of projects and programs for mitigating potential hazards.
5. Research, review, and analyze regulations, policies, proposals and other issues having a potential or actual impact on emergency management.
6. Staff special task forces which may be organized to provide indepth studies of specific hazards to public safety.
7. Monitor and evaluate ongoing emergency management projects in South Carolina.
8. Develop and maintain appropriate plans and procedures to support the role of the Governor's Office during an emergency to include coordination of plans and procedures with appropriate federal agencies, state agencies and private organizations.

ARTICLE 4 [New]

SOUTH CAROLINA EMERGENCY PREPAREDNESS DIVISION

SEC.

25-1-420. South Carolina Emergency Preparedness Division of Office of Adjutant General; administration; duties.

25-1-430. Definitions.

25-1-440. Additional powers and duties of governor during declared emergency.

25-1-450. Duties of state, county and municipal governments for mutual assistance in emergencies.

25-1-460. Emergency loans when General Assembly is not in session.

§ 25-1-420. South Carolina Emergency Preparedness Division of Office of Adjutant General; administration; duties.

There is established within the office of the Adjutant General the South Carolina Preparedness Division (Division).

The Division shall be administered by a director appointed by the Adjutant General, to serve at his pleasure, and such additional staff as may be employed or appointed by the Adjutant General.

The Division shall be responsible for the implementation of the following:

(a) Coordinating the efforts of all state, county and municipal agencies and departments in developing a State Emergency Plan.

(b) Conducting a statewide preparedness program to assure the capability of state, county and municipal governments to execute the State Emergency Plan.

(c) Establishing and maintaining a State Emergency Operations Center and providing support of the state emergency staff and work force.

(d) Establishing an effective system for reporting, analyzing, displaying and disseminating emergency information.

§ 25-1-430. Definitions.

As used in this article:

(a) "Emergency Preparedness" shall mean the extraordinary actions of government in preparing for and carrying out all functions and operations, other than those for which the military is primarily responsible, when concerted, coordinated action by several agencies or departments of government and private sector organizations is required to prevent, minimize and repair injury and damage resulting from a disaster of any origin.

(b) "Emergency" shall mean actual or threatened enemy attack, sabotage, conflagration, flood, storm, epidemic, earthquake, riot or other public calamity.

(c) "South Carolina Emergency Preparedness (Civil Defense) Organization" shall mean all officers and employees of state government, county government and municipal government, together with those volunteer forces enrolled to aid them in an emergency and persons who may by agreement or operation of law be charged with duties incident to protection of life and property of this State during emergencies.

EXHIBIT "B"

§ 25-1-440. Additional powers and duties of governor during declared emergency.

(a) The Governor, when an emergency has been declared, as the elected Chief Executive of the State, shall be responsible for the safety, security and welfare of the State and shall be empowered with the following additional authority to adequately discharge this responsibility:

(1) Issue emergency proclamations and regulations and amend or rescind them. Such proclamations and regulations shall have the force and effect of law as long as the emergency exists.

(2) Declare a state of emergency for all or part of the State if he finds a disaster has occurred, or that the threat thereof is imminent, and extraordinary measures are deemed necessary to cope with the existing or anticipated situation. A declared state of emergency shall not continue for a period of more than fifteen days without the consent of the General Assembly.

(3) Suspend provisions of existing regulations prescribing procedures for conduct of state business if strict compliance with the provisions thereof would in any way prevent, hinder or delay necessary action in coping with the emergency.

(4) Utilize all available resources of state government as reasonably necessary to cope with the emergency.

(5) Transfer the direction, personnel or functions of state departments, agencies and commissions, or units thereof, for purposes of facilitating or performing emergency services as necessary or desirable.

(6) Compel performance by elected and appointed state, county and municipal officials and employees of the emergency duties and functions assigned them in the State Emergency Plan or by Executive Order.

(7) Direct and compel evacuation of all or part of the populace from any stricken or threatened area if this action is deemed necessary for the preservation of life or other emergency mitigation, response or recovery; to prescribe routes, modes of transportation and destination in connection with evacuation; and to control ingress and egress at an emergency area, the movement of persons within the area and the occupancy of premises therein.

(b) The Governor shall be responsible for the development and coordination of a system of Comprehensive Emergency Management which shall include provisions for mitigation, preparedness, response and recovery in anticipated and actual emergency situations.

§ 25-1-450. Duties of state, county and municipal governments for mutual assistance in emergencies.

State, county and municipal governments shall cooperate in developing and maintaining a plan for mutual assistance in emergencies.

(1) State government shall be responsible for:

(a) Establishing policies and developing a plan and procedures to insure maximum utilization of all state resources to minimize loss of life and injury to the populace and destruction or damage

to resources and facilities of the State during emergencies resulting from enemy attack or natural or man-made emergencies.

(b) Providing state forces and resources to support local governmental emergency operations and coordinating support with local governments from other sources, including the federal government and those unaffected counties of the State, and implement mutual assistance agreements with adjoining states.

(c) Assuming direction and control of area or local government emergency operations when requested by the county legislative delegation or their designees or when local government authority has broken down or is nonexistent or when the nature or magnitude of an emergency is such that effective response and recovery action is beyond local government's capability or when, in the event of a war emergency or declared natural or man-made emergency, state direction is required for implementation of a national plan.

(2) County and municipal governments shall be responsible for:

(a) Organizing, planning and otherwise preparing for prompt, effective employment of available resources of the county or municipality to support emergency operations of the municipalities of the county or to conduct emergency operations in areas where no municipal capability exists.

(b) Coordinating support to municipal emergency operations from other sources including state and federal assistance as well as support made available from other municipalities of the county.

(c) Developing and implementing a shelter/relocation plan to protect the populace from the hazards of a nuclear emergency and to provide for the congregate housing and care of persons displaced or rendered homeless as a result of a natural or man-made emergency.

§ 25-1-460. Emergency loans when General Assembly is not in session.

When the General Assembly is not in session and emergency funds are required by counties or municipalities, the State Budget and Control Board may authorize emergency loans for emergency and recovery operations to counties and municipalities not to exceed one and one-half million dollars to any single county or municipality from the reserve fund of the state treasury paid from that fund from any monies therein not appropriated for other purposes. Any monies so used shall be drawn from the fund on warrants of the Board repayable by the borrowing county or municipality and secured by the full faith and credit of the county or municipality involved. Such loans shall be made only where the nature or extent of damage or destruction does not justify or permit requests for federal aid pursuant to Public Law 91-606 or Public Law 93-288. The Board may also reimburse state agencies for unbudgeted emergency expenditures under the same conditions.

APPENDIX C

REQUESTED, BUDGETED, AND ACTUAL FEDERAL DOLLARS RECEIVED
FROM P&A GRANT BY COUNTIES - FY 78-79

County	<u>Requested \$¹</u>	<u>Budgeted \$²</u>	<u>Actual Federal \$ Received³</u>
Abbeville		\$ 3,264	\$ 3,264
Aiken		14,165	13,206
Allendale		-	-
Anderson		13,361	12,611
Bamberg		8,112	3,656
Barnwell		8,854	8,854
Beaufort		7,429	4,579
Berkeley		12,777	12,777
Calhoun		11,488	11,593
Charleston		24,330	24,330
Cherokee		-	-
Chester		10,677	11,330
Chesterfield		-	-
Clarendon		5,424	5,424
Colleton		10,820	10,925
Darlington		-	-
Dillon		6,034	5,859
Dorchester		5,554	7,462
Edgefield		-	-
Fairfield		6,142	5,142
Florence		10,330	11,330
Georgetown		12,563	12,577
Greenville		16,129	17,629
Greenwood		13,176	14,519
Hampton		5,613	6,718
Horry		15,314	16,163
Jasper		7,586	5,734
Kershaw		3,500	3,430
Lancaster		10,253	10,165
Laurens		11,084	11,084
Lee		6,111	6,597
Lexington		14,099	13,898
Marion		7,829	7,846
Marlboro		-	-
McCormick		-	-
Newberry		11,358	10,683
Oconee		10,112	9,828
Orangeburg		14,436	15,038
Pickens		1,316	1,316
Richland		45,026	46,926
Saluda		6,484	6,484
Spartanburg		24,738	25,302
Sumter		12,651	12,951
Union		7,544	7,749
Williamsburg		9,574	10,206
York ⁴		24,398	23,448
Average		<u>\$11,530</u>	<u>\$11,503</u>

¹Records not required to be retained beyond three years.

²Budgeted dollars allocated to counties.

³Actual Federal dollars matched with local dollars.

⁴Includes the separate Rock Hill program.

APPENDIX C (CONTINUED)

REQUESTED, BUDGETED, AND ACTUAL FEDERAL DOLLARS RECEIVED
FROM P&A GRANT BY COUNTIES - FEDERAL FY 79-80

County	Requested \$	Budgeted \$ ¹	Actual Federal \$ Received ²
Abbeville	\$ 3,693	\$ 3,264	\$ 3,202
Aiken	15,319	13,215	13,854
Allendale	-	-	-
Anderson	14,783	13,046	13,554
Bamberg	4,087	4,087	4,010
Barnwell	11,659	9,183	6,988
Beaufort	9,078	7,034	6,758
Berkeley	14,427	12,770	13,886
Calhoun	13,220	11,593	12,042
Charleston	26,674	24,330	26,057
Cherokee	-	-	-
Chester	12,288	11,330	11,056
Chesterfield	-	-	-
Clarendon	6,289	5,424	6,058
Colleton	11,898	10,925	11,653
Darlington	-	-	-
Dillon	7,600	5,859	6,080
Dorchester	9,311	5,554	3,745
Edgefield	-	-	-
Fairfield	7,663	6,142	7,509
Florence	12,412	11,330	10,572
Georgetown	13,591	12,577	12,880
Greenville	22,129	16,129	18,691
Greenwood	16,282	14,231	14,525
Hampton	7,016	6,718	6,689
Horry	18,059	16,163	17,282
Jasper	8,575	5,303	4,459
Kershaw	3,700	3,500	3,300
Lancaster	11,422	10,305	10,917
Laurens	13,959	11,084	11,533
Lee	7,865	6,597	7,224
Lexington	14,854	14,099	14,599
Marion	8,083	7,876	7,875
Marlboro	-	-	-
McCormick	-	-	-
Newberry	12,159	11,358	11,991
Oconee	11,130	10,112	10,178
Orangeburg	23,777	15,038	15,232
Pickens	2,235	1,334	7,049
Richland	47,664	45,870	47,838
Saluda	8,421	6,484	5,774
Spartanburg	27,722	25,302	25,442
Sumter	13,869	12,651	13,588
Union	8,087	7,544	7,783
Williamsburg	13,532	10,206	12,653
York ³	25,789	24,398	23,873
Average	\$13,342	\$11,538	\$12,010

¹Budgeted dollars allocated to counties.

²Actual Federal dollars matched with local dollars.

³Includes the separate Rock Hill program.

APPENDIX C (CONTINUED)

REQUESTED, BUDGETED, AND ACTUAL FEDERAL DOLLARS RECEIVED
FROM P&A GRANT BY COUNTIES - FEDERAL FY 80-81

County	Requested \$	Budgeted \$ ¹	Actual Federal \$ Received ²
Abbeville	\$ 4,660	\$ 3,007	\$ 3,055
Aiken	17,284	12,176	12,516
Allendale	-	-	-
Anderson	15,608	12,021	12,273
Bamberg	4,411	3,767	3,659
Barnwell	8,355	7,743	6,718
Beaufort	8,845	6,481	6,545
Berkeley	15,332	11,766	11,931
Calhoun	14,053	10,681	10,886
Charleston	28,280	22,417	22,892
Cherokee	4,100	-	-
Chester	14,037	10,439	10,801
Chesterfield	-	-	-
Clarendon	7,485	4,998	5,145
Colleton	13,263	10,066	10,186
Darlington	17,091	3,000	3,334
Dillon	7,919	5,398	5,524
Dorchester	7,878	4,917	5,408
Edgefield	-	-	-
Fairfield	10,076	5,659	6,065
Florence	18,030	10,439	10,943
Georgetown	14,907	11,588	11,832
Greenville	23,248	14,861	15,154
Greenwood	18,219	13,112	13,489
Hampton	6,986	6,190	5,692
Horry	19,700	14,893	15,173
Jasper	12,260	4,086	4,104
Kershaw	3,600	3,225	3,233
Lancaster	11,871	9,495	9,698
Laurens	14,583	10,213	10,295
Lee	7,571	6,078	6,241
Lexington	16,000	12,991	13,244
Marion	9,253	7,257	7,373
Marlboro	3,000	-	-
McCormick	12,050	-	-
Newberry	12,458	10,465	11,951
Oconee	15,692	9,317	9,362
Orangeburg	27,000	13,856	13,544
Pickens	12,556	6,229	6,746
Richland	51,152	42,265	42,862
Saluda	5,943	4,978	4,996
Spartanburg	31,791	23,313	23,660
Sumter	16,712	11,657	11,966
Union	9,045	6,951	7,163
Williamsburg	15,008	9,404	9,830
York ³	18,661	16,252	15,570
Average	\$14,092	\$10,341	\$10,526

¹Budgeted dollars allocated to counties.

²Actual Federal dollars matched with local dollars.

³York and Rock Hill programs combined.